

GOVERNMENTAL OPERATIONS

Agency 215

Utilities and Transportation Commission

Recommendation Summary

Dollars in Thousands

| | Annual FTEs | General Fund State | Other Funds | Total Funds |
|---|-------------|--------------------|-------------|-------------|
| 2003-05 Expenditure Authority | 155.1 | | 30,778 | 30,778 |
| Total Maintenance Level | 153.4 | | 31,619 | 31,619 |
| Difference | (1.8) | | 841 | 841 |
| Percent Change from Current Biennium | (1.1)% | | 2.7% | 2.7% |
| Performance Changes | | | | |
| FCC Workload/Qwest Performance Assurance Plan | 2.0 | | 626 | 626 |
| National Energy Policy Development | | | 120 | 120 |
| Middle Management Reduction | (2.4) | | (253) | (253) |
| General Inflation | | | (68) | (68) |
| Information Services Support | 1.0 | | 145 | 145 |
| Statewide Systems Increase | | | 46 | 46 |
| Public Counsel Legal Services | | | 80 | 80 |
| Grade Crossing Protection Fund | | | 208 | 208 |
| Subtotal | 0.6 | | 904 | 904 |
| Total Proposed Budget | 154.0 | | 32,523 | 32,523 |
| Difference | (1.2) | | 1,745 | 1,745 |
| Percent Change from Current Biennium | (0.7)% | | 5.7% | 5.7% |
| Total Proposed Budget by Activity | | | | |
| Administration | 11.0 | | 1,842 | 1,842 |
| Agency Commissioners | 7.5 | | 1,963 | 1,963 |
| Pipeline Safety | 16.7 | | 4,854 | 4,854 |
| Public Counsel | | | 1,696 | 1,696 |
| Railroad Safety | 9.5 | | 3,044 | 3,044 |
| Regulation of Consumer Services | 21.1 | | 3,494 | 3,494 |
| Regulation of Energy Companies | 25.9 | | 3,933 | 3,933 |
| Regulation of Water Companies | 6.1 | | 400 | 400 |
| Solid Waste Companies Licensing, Regulation, and Safety | 13.1 | | 2,352 | 2,352 |
| Telecommunication Companies Licensing and Regulation | 26.4 | | 5,097 | 5,097 |
| Transportation Companies Licensing, Regulation and Safety | 19.1 | | 3,475 | 3,475 |
| Compensation Cost Adjustment | | | 626 | 626 |
| Middle Management Reduction | (2.4) | | (253) | (253) |
| Total Proposed Budget | 154.0 | | 32,523 | 32,523 |

PERFORMANCE LEVEL CHANGE DESCRIPTIONS**FCC Workload/Qwest Performance Assurance Plan**

Funding is provided to cover the additional workload created by the Federal Communications Commission's (FCC) requirements for performance standards and elimination of market entry barriers for residential and business customers. FCC requirements of Qwest have made funds available to meet these obligations. (Public Service Revolving Account-State)

National Energy Policy Development

Funding is provided to further the state's interest in national policy development being considered in Congress and at the Federal Energy Regulatory Commission. (Public Service Revolving Account-State)

Middle Management Reduction

The Governor has directed that middle management be reduced by 1,000 positions by the end of the biennium. This item is this agency's share of the statewide amount.

Information Services Support

One additional staff position is provided for in the Information Services section of the Washington Utilities and Transportation Commission (WUTC). This section has multiple developmental projects underway, as well as a large backlog of projects, the number of which far exceeds the staff available to address them. Progressing on the backlog projects would enhance public access to the web, shorten response time to the public, improve case tracking, and provide program efficiencies. The additional staff person will have leadership, project management, system design, facilitation, and technical writing skills. (Public Service Revolving Account-State)

Statewide Systems Increase

The agency cost allocation and revenue systems were developed in the 1960s and are in need of significant enhancement. The agency will utilize the state accounting system (AFRS) to a much greater degree and implement the new state time-keeping system in Fiscal Year 2005. (Public Service Revolving Account-State)

Public Counsel Legal Services

Involvement by the public counsel in regulated utility matters before the Utilities and Transportation Commission will be enhanced by continued analysis and testimony of expert witnesses. (Public Service Revolving Account-State)

Grade Crossing Protection Fund

The increased grade crossing protection funds are appropriated for the railroad safety program. Funds will be transferred from existing penalty accounts pursuant to current law. No state General Funds or railroad fees will be used for the projects supported by the program. (Grade Crossing Protection Account-State)

ACTIVITY DESCRIPTIONS**Administration**

This activity provides administrative, financial, human resource, and information services to the Utilities and Transportation Commission (UTC).

Agency Commissioners

Three commissioners regulate private utility and transportation businesses in the public interest by reviewing company filings, making decisions on contested matters, adopting rules for regulated industries, and advocating Washington's interests before national and regional forums. The commission is both a quasi-judicial and quasi-legislative state agency. Matters brought before the commission include rule makings; changes to company rates, terms, or conditions for service (tariff revisions); and requests by companies to take action, such as transferring property, issuing securities, or changing accounting practices. Issues involving substantial disagreements or those requiring further fact-finding become formal, adjudicated legal proceedings under the Administrative Procedures Act.

Pipeline Safety

Washington is one of nine states granted inspection authority over interstate hazardous liquid and natural gas pipelines by the federal government. The UTC inspects interstate and intrastate pipelines to ensure they are constructed and operate in accordance with state and federal statute and regulation; audits company practices; investigates accidents; reviews design and construction of new pipelines; develops pipeline rules and policies to protect Washington citizens, enhance the safe movement of these products, and seeks enforcement of regulations where appropriate; and works closely with local governments, community organizations, first responders, and citizens to ensure they are informed of pipeline issues in their communities.

Public Counsel

The Public Counsel Section of the Office of the Attorney General is responsible for representing the interests of residential and small commercial customers in electric, gas, and telecommunications proceedings before the UTC and state courts. Although Public Counsel is funded through the UTC budget, it is a branch of the Attorney General and thus, is independent of the commission.

Railroad Safety

The commission provides for public and railroad employee safety by implementing engineering, compliance, and education programs that reduce deaths, injuries, and property damage on or around railroads. Inspectors work with local road authorities, the Washington State Department of Transportation, railroad companies, and the public to ensure that railroad/highway crossings and warning devices are designed, built, maintained, altered, and closed in the safest possible manner. Inspectors enforce laws and rules to ensure the safety of hazardous materials handling, track structures, operating practices, signals, clearances, and walkways. Trespassing and crossing accidents and derailments are investigated to identify rule violations and general safety problems. Staff participate in Operation Lifesaver, a national program to inform the public about rail safety issues.

Regulation of Consumer Services

This activity ensures that regulated companies treat consumers fairly and consistently. This is accomplished by mediating disputes between consumers and regulated companies; responding to consumers' questions about service and consumer rights and responsibilities; providing technical assistance to companies to help them improve service delivery and reduce complaint levels; analyzing complaint data for consumer fraud, deception, or abuse; conducting formal investigations into companies that appear to be using unfair, misleading, or deceptive business practices; making recommendations on needed compliance actions or improvements; and monitoring companies after formal action to ensure the commission's directives are met.

Regulation of Energy Companies

The regulation of energy companies involves overseeing rates and business practices of investor-owned natural gas and electric utilities to protect consumers, encourage investment, and ensure adequate energy supplies and reliable service. This is done by reviewing tariff changes and contracts of regulated energy companies, reviewing annual reports and other technical information, presenting expert testimony in contested cases before the commission, and adopting and enforcing rules for regulated companies.

Regulation of Water Companies

The regulation of water companies involves overseeing rates and business practices of regulated water companies. This is accomplished through working with privately-owned water companies and their customers to set fair rates for drinking water; protecting captive water customers from potential abuse by water companies; developing, explaining, and enforcing water rules and policies to protect consumers and encourage investment; reviewing tariff changes of regulated water companies; and working with water companies and the Department of Health's Drinking Water Program to resolve service complaints about water quality and quantity issues.

Solid Waste Companies Licensing, Regulation, and Safety

Solid waste regulation involves overseeing rates, service areas, safety, and business practices of regulated solid waste collection companies to ensure reasonable rates and desired services. This includes setting fair rates for the collection of residential and commercial garbage and residential recyclables; resolving billing and service problems; auditing companies; adopting and enforcing laws and rules; participating with counties and cities in the development of comprehensive solid waste management plans; working with collection companies to implement the plans; and collaborating with the Department of Ecology on recycling and the State Solid Waste Management Plan.

Telecommunication Companies Licensing and Regulation

Regulation of telecommunications companies involves reviewing tariff and price list changes, contracts, and interconnection agreements; removing regulation as competition increases; monitoring the financial performance of approximately 20 companies that continue to have a captive customer base; providing leadership on policy and operational issues within the telecommunications industry; working closely with all segments of the telecommunications industry, including other government agencies and unregulated carriers such as wireless companies and Internet service providers; presenting expert testimony in contested cases; helping telecommunications competitors resolve their disputes informally; and, when necessary, participating in formal arbitration and enforcement cases.

Transportation Companies Licensing, Regulation and Safety

This activity oversees rates, routes, services, safety, and business practices of regulated bus companies, household goods carriers, airporters, low-level radioactive waste disposal sites, and commercial ferries. It includes rulemaking, permitting firms to do business, setting fair rates, resolving billing and service problems, auditing companies, and enforcing laws and rules.

Compensation Cost Adjustment

This item reflects proposed compensation and benefit cost adjustments that were not allocated to individual agency activities. The agency will assign these costs to the proper activities after the budget is enacted.

Middle Management Reduction

The Governor has directed that middle management be reduced by 1,000 positions by the end of the biennium. This item is this agency's share of the statewide amount. These savings will be assigned to the appropriate activities after the budget is enacted.